



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0571	Title:	Revise laws related to the legislative calendar
Primary Sponsor:	Williams, Kathleen	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	(\$4,273,771)	\$4,517,059	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$4,273,771</u>	<u>(\$4,517,059)</u>	<u>\$0</u>

Description of fiscal impact: HB 571 revises the legislative calendar to provide for a session held later in the biennium to allow for interim training and work. The bill further provides for a study of the budget process and changes necessary to implement a new schedule. It is estimated that the total general fund cost to the Legislative Branch of implementing the changes proposed in HB 571 is \$243,288.

FISCAL ANALYSIS

Assumptions:

Legislative Branch

- Section 1 of HB 571 requires that, beginning in January 2017, the legislature will meet for six legislative days to organize the legislature. It is assumed that the cost of this six-day convening of the legislature will cost \$340,704 (FY 2017), to be appropriated in HB 1. Assumptions of this cost include six days of compensation for 150 legislators, 11 days of per diem (costs are calculated using the current daily per diem rate of \$112.85 per day), one round-trip mileage reimbursement for each eligible legislator, and reduced House and Senate supporting staff. Current statute provides that legislators are paid for the first three days of recess of a legislative session (5-2-301(3), MCA).
- Section 1, subsection 2 of this bill provides that, upon recess of this six-day legislative session, the House or Senate taxation committee shall meet as necessary to adopt a committee report on the revenue estimating resolution. It is estimated that the 32 members of the House and Senate taxation committees would need to meet for four days to accomplish this requirement. It is assumed that, as the legislature has recessed from session, legislators would receive compensation and expenses as provided by 5-2-302, MCA, (when the

- legislature is not in session). The total estimated cost of legislator compensation for these meetings is \$30,541 (FY 2017) in general fund appropriation to be provided for in HB 1.
3. Section 1, subsection 2 also provides that the joint appropriations subcommittees will meet as necessary to prepare recommendations for the House appropriations committee to adopt a standing committee report. It is estimated that 39 members of the joint appropriations subcommittees would need to meet for 20 days to accomplish this requirement. The total estimated cost of legislator compensation, as well as House and Senate staff support for both of the joint appropriations committees and House and Senate taxation committees, is \$219,944 (FY 2017) in general fund appropriation to be provided for in HB 1.
 4. Section 1, subsection 3 of HB 571 requires that the legislature reconvene for the purpose of adopting a balanced budget for FY 2018. It is assumed that the legislature would need to meet for five days in order to accomplish the requirement of this section. It is estimated that the cost of this five-day session is \$269,946 in general fund appropriation to be provided for in HB 1 (FY 2017). These costs include five days of compensation for legislators, eight days of per diem, one round-trip mileage for all eligible legislators, and limited House and Senate staff.
 5. Subsection 4 of section 1 requires that the legislature will reconvene on the first Monday of January of each even-numbered year or, if January 1 is a Monday, on the first Wednesday to consider general legislation and a biennial budget for fiscal years 2019 and 2020. The combined duration of legislative days with the legislative days in the odd-numbered year may not exceed 90 legislative days. Assuming that the legislature convened for 11 legislative days in the odd-numbered year, the legislature will convene in the even-numbered year for the remaining 79 days. It is estimated that the total general fund cost of this 79-day session is \$4,514,449 (FY 2018). These costs include legislator compensation for 79 days, 100 per diem days, two round-trip mileage reimbursements for all eligible legislators, and a full House and Senate staff to support the session.
 6. Section 7 of HB 571 requires that the legislative finance committee study the budgeting process found in Title 17 in order to make recommendations necessary to transition the budget cycle to accommodate the revised legislative calendar. It is assumed that the Legislative Fiscal Division would need to re-prioritize their work based in this statutory requirement. It is also assumed that this study would require at least 0.50 FTE of a legislative attorney and 0.50 FTE in the division's managerial time. The requirements of this study would be absorbed within existing resources.
 7. The Legislative Fiscal Division assumes that additional contracted services would be needed to re-program the state's budgetary system to accommodate the development of a one-year budget for FY 2018. The estimated general fund cost of these contracted services is \$6,090 for FY 2017 (\$87 per hour of contracted services for an estimated 70 hours). It is also assumed that the Legislative Fiscal Division would need additional contracted services in FY 2018 for re-programming to implement any changes that occur to the budget process as a result of the legislative finance committee's study of Title 17. The estimated general fund cost of 30 hours of contracted services is \$2,610 in FY 2018.
 8. The appropriation provided in HB 1 for the 2015 legislative session is \$5,140,996, all of which will be expended in FY 2017. It is estimated that the total cost of a legislative session provided for in HB 571, including additional contracted services costs for the Legislative Fiscal Division, is \$867,225 in FY 2017 and \$4,517,059 in FY 2018. Costs of a legislative session provided in HB 571, as compared with the costs of the 2015 legislative session, would be reduced by (\$4,273,771) in FY 2017 and increased by \$4,517,059 in FY 2018, for a net increase of \$243,288 to implement the requirements of this bill.
 9. HB 571 also changes the meeting schedule of legislative interim committees. It is assumed that the legislative interim committees (Legislative Services Division, Program 21) would not incur additional costs as a result of this bill; however, it is also assumed that this new interim committee structure would change how interim committee costs would be incurred.
 10. It is assumed that, if the legislature were to meet and pass legislation in both the even-numbered and odd-numbered years, the Legislative Services Division would be required to codify legislation every year. Currently, the division's codification process only occurs every other year. It is anticipated that the

requirement to codify legislation every year would increase the workload of Legislative Services Division staff, requiring the division to reprioritize their workload to accommodate this statutory requirement and possibly requiring additional resources.

Other State Agencies

11. Other state agencies will incur overtime or compensatory time to related to the revised legislative calendar but the level of overtime and/or compensatory time cannot be determined.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$0	(\$4,325,147)	\$4,455,649	\$0
Operating Expenses	\$0	\$51,376	\$61,410	\$0
TOTAL Expenditures	<u>\$0</u>	<u>(\$4,273,771)</u>	<u>\$4,517,059</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	(\$4,273,771)	\$4,517,059	\$0
TOTAL Funding of Exp.	<u>\$0</u>	<u>(\$4,273,771)</u>	<u>\$4,517,059</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$4,273,771	(\$4,517,059)	\$0

Technical Notes:

Legislative Branch

1. Although HB 571 proposes to make changes to the legislative calendar, it does not specify what compensation legislators are entitled to when fulfilling the requirements of section 1, subsection 2. It is assumed, for the purposes of the calculations of this fiscal note, that when the legislature recesses after convening for six days of the odd-numbered year and standing committees meet, the legislature would be paid in the same manner as attending legislative interim committees (5-2-302, MCA).

Secretary of State's Office

2. House Bill 571 would change Montana's state and presidential primary election from the first Tuesday after the first Monday in June each even year, to the second Monday in August each even year. Doing so would create several technical problems, and more importantly, would cause Montana to not be able to comply with the Uniformed and Overseas Citizen Absentee Voting Act (UOCAVA), the Military and Overseas Voter Empowerment Act (MOVE Act), and with state law, all of which require ballots to be sent to covered voters no later than 45 days before a federal primary and federal general election.

Sponsor's Initials

Date

Budget Director's Initials

Date